

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 58th LEGISLATURE - REGULAR SESSION

COMMITTEE ON TRANSPORTATION

Call to Order: By **CHAIRMAN KARL WAITSCHIES**, on March 19, 2003 at 3 P.M., in Room 472 Capitol.

ROLL CALL

Members Present:

Rep. Karl Waitschies, Chairman (R)
Rep. Sylvia Bookout-Reinicke, Vice Chairman (R)
Rep. Dave Gallik, Vice Chairman (D)
Rep. Joe Balyeat (R)
Rep. Bob Bergren (D)
Rep. Ronald Devlin (R)
Rep. George Golie (D)
Rep. Jim Keane (D)
Rep. Bernie Olson (R)
Rep. Allen Rome (R)
Rep. Frank Smith (D)
Rep. Donald Steinbeisser (R)
Rep. Bill Wilson (D)

Members Excused: None.

Members Absent: None.

Staff Present: Leanne Kurtz, Legislative Branch
Pati O'Reilly, Committee Secretary

Please Note. These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing & Date Posted: SB 414, SB 422, 3/11/2003
Executive Action: NONE

HEARING ON SB 414

Sponsor: SENATOR PEASE, SD 3

Opening Statement by Sponsor:

SENATOR PEASE introduced this bill at the request of the State Highway and Transportation Standing Committee. This bill is: "An Act Providing an Extended Schedule for Applicants to Comply with the Incentive Program for Production of Gasohol; Amending Section 15-70-522, MCA; and Providing an Immediate Effective Date."

{Tape was not working.}

Proponents' Testimony:

Dave Galt, Director, Montana Department of Transportation, explained how this bill would help new Ethanol Plants secure financing and investors.

Pat Joyce, Rocky Mountain Ethanol, presented written testimony.

EXHIBIT (trh58a01)

Bob Stevens, Montana Grain Growers Assn. and Farmers Union.

This bill would make it much easier to obtain financing for Ethanol Plants.

Dick Vincent, co-owner of Rocky Mountain Ethanol, explained the advantages this bill offers investors.

Lloyd DeBrucker, partner in Rocky Mountain Ethanol, spoke in support of the bill.

{Tape was not working.}

Opponents' Testimony: None

Informational Testimony: None

Questions from Committee Members and Responses:

REPS. DEVLIN and WAITSCHIES questioned Director Galt.

{Tape was not working.}

Closing by Sponsor:

SENATOR PEASE closed SB 414 with a short summary of the need for this bill and explained how it would help the economy of Hardin, Montana.

HEARING ON SB 422

Sponsor: SENATOR JERRY BLACK, SD 44

Opening Statement by Sponsor:

SENATOR BLACK introduced SB 422 as a bill that is good for business and good for the public; it promotes cleaner air, a market for the agriculture community, and creates jobs. It is a mandate that requires ethanol to be mixed with gasoline that is burned in our vehicles.

{Tape: 1; Side: A; Approx. Time Counter: 0 - 4.9}

Proponents' Testimony:

Mike Allen, Member of Board of Directors of Ethanol Producers and Consumers. Mr. Allen supplied a written copy of this testimony in support of this bill.

EXHIBIT(trh58a02)

{Tape: 1; Side: A; Approx. Time Counter: 4.9 - 16.0}

Harold Olsen, President of Pondera County Economic Development, said their committee supports this bill. Pondera County failed in an attempt to build ethanol plant several years ago, because they did not have this type of mandate.

{Tape: 1; Side: A; Approx. Time Counter: 16.0- 17.6}

SENATOR SAM KITZENBERG, SD 48, is a co-sponsor of this bill. This bill is a great bill for the agriculture community.

{Tape: 1; Side: A; Approx. Time Counter: 17.6 - 25.3}

Pat Joyce, Project Coordinator, Rocky Mountain Ethanol (RME), located in Hardin, Montana. RME needs this bill for economic reasons. Ms. Joyce submitted written testimony.

EXHIBIT(trh58a03)

{Tape: 1; Side: A; Approx. Time Counter: 25.3 - 27.7}

Shirley Ball, Executive Director of Ethanol Producers and Consumers. Submitted written testimony.

EXHIBIT(trh58a04)

{Tape: 1; Side: A; Approx. Time Counter: 27.7 - 30}

Tape: 1; Side: B; Approx. Time Counter: 0 - 30 is blank

Deanna Styren, Women in Farm Economics. WIFE supports this legislation.

{Tape: 2; Side: A; Approx. Time Counter: 0 - 7.2} Tape is blank.

{Tape: 2; Side: A; Approx. Time Counter: 7.1 - 8.2}

Nancy Schlepp, Montana Farm Bureau, supported this bill.

{Tape: 2; Side: A; Approx. Time Counter: 8.2 - 11.5}

Betty Babcock, resident, supports this bill.

{Tape: 2; Side: A; Approx. Time Counter: 11.5 - 12}

Former Governor Tim Babcock spoke in favor of the bill.

{Tape: 2; Side: A; Approx. Time Counter: 12 - 12.6}

Jim Barngrover, Northern Plains Resource Council, submitted written testimony in support of SB 422.

EXHIBIT(trh58a05)

{Tape: 2; Side: A; Approx. Time Counter: 16.2 - 17.9}

Dick Vincent, Thompson Falls resident, supported the legislation.

{Tape: 2; Side: A; Approx. Time Counter: 17.9 - 18.9}

Bob Stephens, Montana Grain Growers Association and Montana Farmers Union, said his clients support this legislation and urge a do pass.

{Tape: 2; Side: A; Approx. Time Counter: 18.9 - 19.2}

Elaine Zempel, Director of Pondera Coalition for Progress. The Coalition Board of Directors supports this legislation.

{Tape: 2; Side: A; Approx. Time Counter: 19.2 - 20.1}

Cynthia Johnson, Pondera County Commissioner, Supports this bill.

{Tape: 2; Side: A; Approx. Time Counter: 20.1 - 20.7}

Opponents' Testimony:

Dexter Busby, Montana Refinery, submitted written testimony.

EXHIBIT(trh58a06)

{Tape: 2; Side: A; Approx. Time Counter: 20.7 - 28}

Bruce Brodie, Exxon Mobile Refinery in Billings, Montana, explained the complications of mixing gasoline and ethanol. The refinery owners are opposed to this bill. He also explained the problems with storage and pipeline transportation.

{Tape: 2; Side: A; Approx. Time Counter: 28 - 31.6}

Bob Gilbert, Montana Petroleum Marketers and Convenience Stores, said his clients are in opposition to this legislation for the above- mentioned reasons.

EXHIBIT(trh58a07)

{Tape: 2; Side: A; Approx. Time Counter: 31.6 - 33.9}

Steve Glade, Conoco-Phillips, submitted written opposition to SB 422.

EXHIBIT(trh58a08)

{Tape: 2; Side: A; Approx. Time Counter: 33.9 - 34.5}

{Tape: 2; Side: B; Approx. Time Counter: 0 - 3.3}

Gail Abercrombie, Montana Petroleum Association, submitted written opposition to this bill.

EXHIBIT(trh58a09)

EXHIBIT(trh58a10)

{Tape: 2; Side: B; Approx. Time Counter: 3.3 - 14.9}

Informational Testimony:

Dave Galt, Director Montana Department of Transportation, offered to answer any questions.

{Tape: 2; Side: B; Approx. Time Counter: 14.9 - 16}

Jack Kane, Department of Labor and Industry, Division of Weights and Measures, offered to answer questions.

{Tape: 2; Side: B; Approx. Time Counter: 16 - 17.8}

Questions from Committee Members and Responses:

REPS. SMITH, DEVLIN, BALLYEAT, BOOKOUT-REINICKE, GOLIE, OLSEN, GALLIK, KEANE and WAITSCHIES questioned **SEN. BLACK** and Director Galt.

{Tape: 2; Side: B; Approx. Time Counter: 17.8 - 30}

{Tape: 3; Side: A; Approx. Time Counter: 0 - 30}

Closing by Sponsor:

SEN. BLACK closed with a summary of the testimony and explained that legislature passes many mandates and sometimes a mandate is not a bad thing.

{Tape: 3; Side: B; Approx. Time Counter: 0 - 7}

ADJOURNMENT

Adjournment: 6:10 P.M.

REP. KARL WAITSCHIES, Chairman

PATI O'REILLY, Secretary

KW/PO

EXHIBIT (trh58aad)